

Mississippi Public Service Commission

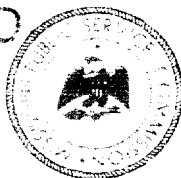
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JACKSON - FIRST DISTRICT

MICHAEL CALLAHAN, VICE-CHAIRMAN
HATTIESBURG - SECOND DISTRICT

BO ROBINSON, COMMISSIONER
HAMILTON - THIRD DISTRICT

OCT 2 2000



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September 22, 2000

Magalie R. Salas, Esquire
Office of the Secretary
Federal Communications Commission
445 12th Street, N.W.
Washington, D.C. 20554


Re: CC Docket No. 96-45; State Certification

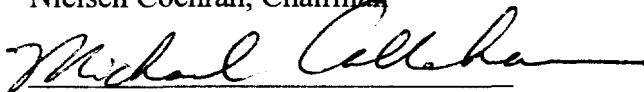
Dear Ms. Salas:

In accordance with C.F.R. Section 54.313, Mississippi hereby certifies BellSouth Telecommunications, Inc., as an eligible recipient of high cost funding from the Federal High Cost Fund. BellSouth has demonstrated that it will use the high-cost support for the provision, maintenance, and upgrading of facilities and services to promote universal service as defined in Section 254(e) of the Telecommunications Act of 1996. Attached is a copy of the Commission's order in docket 2000-AD-0040.

In compliance with FCC rule 54.313(b), a copy of this certification letter has been sent to the Administrator of the High-Cost Universal Service Support Mechanism.

Sincerely,


Nielsen Cochran, Chairman


Michael Callahan, Vice-Chairman


Bo Robinson, Commissioner

Enclosure

cc: Director, Universal Services Program
Bobby Waites, Executive Director, MPUS

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BEFORE THE PUBLIC SERVICE COMMISSION
OF
THE STATE OF MISSISSIPPI

DOCKET NO. 2000-AD-040

MISSISSIPPI PUBLIC SERVICE
COMMISSION

IN RE: CERTIFICATION OF THE
CARRIERS RECEIVING
FEDERAL UNIVERSAL
SERVICE HIGH-COST
SUPPORT

ORDER

COMES NOW, the Mississippi Public Service Commission ("Commission") and it appearing to the Commission, for good cause shown and after reviewing the plan for utilization of the year 2001 Federal Universal Service Funding ("USF") submitted by BellSouth Telecommunications, Inc. ("BellSouth"), and this Commission being otherwise sufficiently advised, finds as follows:

1. On January 19, 2000, the Commission established this docket to certify, pursuant to the Federal Communications Commission's ("FCC") Universal Service Order¹, that the use of federal universal service high-cost support in Mississippi is consistent with 47 U.S.C. §254(e). In accordance with the FCC's Universal Service Order and with this Commission's Order of January 19, 2000, BellSouth Telecommunications, Inc. ("BellSouth") submitted a plan for utilization of the year 2000 Federal Universal Service Funding that was consistent with the

¹ Federal-State Joint Board on Universal Service Ninth Report and order and Eighteenth Order on Reconsideration, CC Docket No. 96-45; FCC 99-306, released November 2, 1999 ("Universal Service Order"). See generally paragraphs 93-110.

principles of universal service as outlined in the Telecommunications Act of 1996 and by the FCC in its Universal Service Order.

2. On March 14, 2000, this Commission issued an Order certifying that BellSouth's proposed use of federal universal service high-cost support for the year 2000 in Mississippi was consistent with 47 U.S.C. §254(e). The network infrastructure improvements outlined in BellSouth's plan were basically to be accomplished over a three (3) year timeframe. The rate reductions proposed in the plan were to be accomplished in the year 2000.

3. On August 25, 2000, BellSouth submitted its detailed plan for utilization of the year 2001 Federal Universal Service Funding for approval by the Commission. The plan submitted on August 25, 2000 proposed a continuation of the network infrastructure improvement plan approved by the Commission in March, 2000. In its August 25, 2000 plan, BellSouth is proposing to utilize the Federal Universal Service Funding for the year 2001 in order to continue to improve its network infrastructure in the rural areas of the State of Mississippi consistent with the manner in which this Commission has previously reviewed and approved for the federal USF monies for the year 2000.

4. While the Commission finds that the plan submitted for use of the federal Universal Service Funds received during 2001 is consistent with 47 U.S.C. §254(e) and is in the public interest, there is one aspect of the plan that the Commission believes could be further improved with minor modification. With respect to BellSouth's proposal for serving applicants who would have previously not received telephone service due to the high cost of providing that service, the

Commission finds that although this proposal has substantial merit it could be improved.

5. While the Commission finds that the plan adequately provides a mechanism that meets the needs of customers in high cost locations in USF targeted exchanges to receive assistance in receiving service, there appears to be no similar mechanism available for customers similarly situated in exchanges that are not targeted for USF support through the federal model.

6. Another area of potential concern exists because of the lack of any qualifying criteria being established for all high cost applicants. Because of the possibility that USF funds might be used to provide service at high cost locations that are not the primary residences of the applicant, the Commission believes reasonable qualifying criteria needs to be established. Without such reasonable qualifying criteria, it would appear that federal USF monies could be utilized, for example, to serve hunting camps or vacation homes at the expense of broader infrastructure improvements. The Commission does not believe that USF monies used in this manner would be in the public's interest. Thus, reasonable qualifying criteria should be adopted.

7. Although the Commission finds that the \$16,000 maximum expenditure per applicant proposed by BellSouth will provide service to certain of those customers who have been unable to secure service because of the cost of providing service to them, it appears that this proposed funding level will provide service to less than half of those customers currently without service. Therefore, the Commission believes that the broader public interest will best be served by

increasing the expenditure to serve each applicant than that originally proposed by BellSouth in the plan.

8. As a result of these concerns, the Commission finds that BellSouth's proposed plan for the utilization of 2001 USF monies in Mississippi should be approved as modified below:

(a) The funds expended in this regard during 2001 shall be increased from a total of \$250,000 up to \$1,000,000. The increase in this amount will make more funding available to handle those applications which have been not been served over the past several years as well as those which may occur during 2001.

(b) The amount of funds available to serve such applicants will be increased up to a maximum of \$50,000 per applicant. The funding for this aspect of the plan shall be expended solely from the available USF funds. The Commission finds that the \$8,000 expenditure per applicant that BellSouth had originally proposed to pay in conjunction with the USF monies is not necessary as a result of this modification made to the plan. Therefore, the Commission directs BellSouth to utilize those funds, up to the maximum of \$250,000 as originally proposed in the plan, to address the high cost applications in exchanges not targeted to receive USF support.

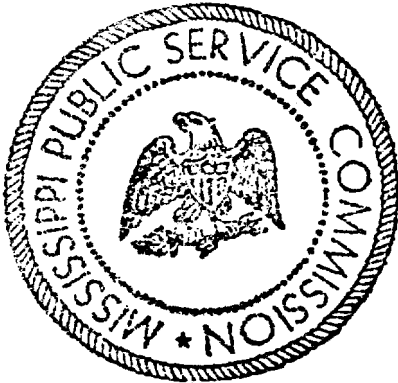
(c) BellSouth shall develop qualification criteria and provide that criteria to the Commission for review and approval by December 1, 2000 for use in the administration of the provision of service to high cost applicants. The guidelines should specifically exclude applications that would primarily serve hunting camps and vacation homes.

9. Based upon the foregoing, the Commission concludes that BellSouth's August 25, 2000 continuation plan, as modified by this Order, for utilization of the Federal Universal Service Fund for the year 2001 is consistent with the Telecommunications Act of 1996 and the pertinent FCC Orders.

IT IS, THEREFORE, ORDERED that the Commission hereby certifies that BellSouth's plan to utilize federal universal service high-cost support in Mississippi as proposed in its continuation plan submitted to the Commission on August 25, 2000, as modified through this Order, is consistent with 47 U.S.C. §254(e).

Chairman Nielsen Cochran voted Aye; Vice-Chairman Michael Callahan voted Aye; Commissioner Bo Robinson voted Aye.

SO ORDERED on this the 22nd day of September, 2000.



MISSISSIPPI PUBLIC SERVICE COMMISSION

NIELSEN COCHRAN, CHAIRMAN

MICHAEL CALLAHAN, VICE CHAIRMAN

BO ROBINSON, COMMISSIONER

ATTEST: A TRUE COPY

BRIAN U. RAY

Executive Secretary